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ABSTRACT

The personal finance survey was designed to investigate the scope and success of personal finance courses on the collegiate level. A 12-item questionnaire was mailed to heads of departments or deans at 32 colleges offering economics and business administration courses. Limited to one page, the questionnaire was designed so that questions could be answered with check marks or one-word answers. Twenty-six questionnaires (81 percent) were returned. We believe the results of the survey indicate that the concept of instruction in personal finance has successfully passed the experimental stage. The course is open to business majors as well as to non-majors in 54 percent of the responses. Generally the course requires no prerequisites, and in 62 percent of the schools freshmen can take the course. All schools responding included investments, insurance, borrowing, and savings as content covered. Student attitudes toward personal finance compared favorably with attitudes toward other courses. A surprisingly large number of respondents cited the use of case problems, visual aids, and independent assignments for instruction. The raw score results and percentages are presented. (Author/PR)

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A STATUS REPORT ON THE PERSONAL FINANCE COURSE

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It is no news to Business Educators that consumer education has come to the forefront in the non-vocational area of study in the field over the past several years. Personal Finance, or Personal Economics as it is called by The Joint Council on Economic Education, is one major area of study in the consumer education field. Most courses in consumer education touch on the major topics covered in personal finance, but the two courses are usually not combined because the content, while closely related, is distinctively different. In consumer economics emphasis is on making wise buying decisions. In a nutshell, this involves education in understanding the nature and important features of the product or service to be purchased, as well as the advertising and labeling that is related to that product or service. Some financial aspects such as understanding credit terms are also covered but usually not to any great extent.

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In personal finance the major emphasis is on educating for wise management of income. Important topics include those of handling all aspects of personal banking, insurance, taxes, credit transactions, and investments. The concern with regard to products to be purchased, is more with the long term financial considerations involved with buying a home, automobile, common stocks, etc. Many instructors attempt to combine consumer and financial features into one course on either the high school or college level. The degree of success is probably limited under this approach because of the lack of time necessary to do a successful job. In recent years consumer product and service decisions, as well as personal financial decisions, have become more and more complex.

This academic year at Wagner College our Department curriculum

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committee, motivated by a number of student requests, explored the possibility of offering a course in Personal Finance. Because considerable controversy developed concerning the need and place of such a course in our curriculum, the Department decided to conduct an informal investigation of this course and its content as it now exists in other colleges and universities. Obviously the time and funds available for such an investigation were limited, so we were restrained from making our survey as scientific, detailed, or extensive as we might have. Interestingly enough, most of those who responded to our questionnaire were as eager as we were to find out more about the current status of personal finance, and that is really what prompted the writing of this article.

The personal finance survey was designed to investigate the scope and success of personal finance courses on the collegiate level. In order to get right to those schools currently offering a course in personal finance, we went to the Wagner College Library and searched through the 125 college catalogues available that contained colleges which offered economics and business administration courses. From these catalogues it was discovered that thirty-two schools offer a course in personal finance or personal economics as it is sometimes called. It should be emphasized that of the schools that did not offer a course in personal finance many did offer courses in allied areas such as consumer economics, consumerism, and household economics (often offered through the Home Economics Dept.). Some of the schools, particularly the larger universities, offered courses under specialized topics of personal finance such as Personal Investments or Personal Insurance and Real Estate.

A questionnaire was mailed to Heads of Departments or Deans

at the thirty-two colleges offering the personal finance course. Table I contains the names of the colleges surveyed by the mail questionnaire. For the sake of convenience, the questionnaire was limited to a length of one page. Questions were designed so that they could be answered with check marks or one word answers. The questionnaires were mailed in January, 1973 with a covering letter and stamped, addressed return envelope. At the time of this writing twenty six (81%) have been completed and returned.

TABLE I

List of Colleges and Universities surveyed by Questionnaire

Appalachian State University	Pennsylvania State University
Central Connecticut State College	Sacramento State College
Eastern Michigan University	Seton Hall University
Furman University	Siena College
George Washington University	Staten Island Community College(C.U.N
Gonzaga University	Southern Illinois University
Hofstra	Stout State (Wisconsin)
Indiana State University	University of Alabama
Bob Jones University	University of Georgia
Louisiana State University	University of Iowa
Miami University (Ohio)	University of Kansas
Montana State University	University of Richmond
North Texas State University	University of South Florida
Northern Arizona University	University of Southern California
Old Dominion University	Walla Walla (Washington)
Oneonta State	Western State College (Colorado)

Summary of Results

Because this had to be a very limited survey the results can only serve as a source of general information. Questions with regard to prerequisites, student attitude, course credit, content, were all asked and answered in a very general way. Nevertheless the results do give some indication of past performance and future direction with regard to this course. The information below is listed in the order and form of presentation on the one page questionnaire. The raw score results and percentages are presented next to the various items.

TABLE II

Summary of Results Based on Twenty-Six Responses

1. Number of credit hours or equivalent given for this course:

Since colleges use different systems of credit assignment it was difficult to evaluate some of the responses. It appeared that no more than 3 of the twenty-six allocated fewer than the usual number of credits (3 credit hours) for the course.

2. What are the course prerequisites?

None: 20 (77%)

Basic Economics: 5 (19%)

Basic Economics plus additional courses: 1 (4%)

3. Minimum class standing necessary for admittance:

Freshman: 16 (62%)

Sophomore: 5 (19%)

Junior: 4 (15%)

Senior: 1 (4%)

4. Course open to majors in the department for major credit: 14 (54%)

Open to majors but only as a non major elective: 4 (15%)

Not open to majors: 8 (31%)

5. May it be taken on a pass-fail basis?

Yes: 18 (69%) No: 8 (31%)

Several respondents indicated that the pass-fail option was available only to non majors.

6. How often is the course offered?

Less than once per year: 1 (4%)

One semester per year: 7 (26%)

Usually offered each semester: 8 (31%)

Often offered in the summer as well: 10 (39%)

7. Number of students enrolled per semester:

Less than 20: 2 (7%)
20-50: 10 (39%)
50-100: 9 (35%)
More than 100: 5 (19%)

8. Has the number enrolled been increasing?

Yes: 17 (65%) No: 9 (35%)

(Five respondents at colleges with no enrollment increase specifically noted that the number has been steady).

9. For approximately how many years has the course been offered?

Less than 5: 6 (23%)
5-10: 8 (31%)
More than 10: 12 (46%)

10. Is there a noticeable difference in student attitude toward the course compared with other courses?

No difference: 10 (39%)
More favorable: 16 (61%)
Less favorable: 0

11. Are case problems used: Yes: 19 (74%) No: 7 (26%)

Visual aids and films? Yes: 17 (65%) No: 9 (35%)

Independent assignments? Yes: 23 (89%) No: 3 (11%)

12. Topics covered:

Investment:	26	Other major purchases:	18
Insurance:	26	General Economic influences:	16
Borrowing:	26	Trusts:	16
Savings:	26	Wills:	16
Home Buying:	25	Estates:	16
Banking:	24	Consumerism:	15
Budgeting:	23	Integration of family	
Taxes:	23	resources:	15
Retirement:	21		

Other topics mentioned: Medical care, Legislation affecting personal finance, Operation of a small business, Time value of money.

Comments on Findings and Conclusions

As was stressed earlier this study was one of very limited scope. There are several thousand two and four year institutions of higher learning in the United States and hundreds of them offer a personal finance course on the undergraduate level. According to advertising for the leading textbook in the field there are over five hundred colleges that have adopted their book alone. Of course a great number of the courses using this textbook and other personal finance textbooks may not fit the definition of personal finance exactly as indicated earlier in this report.

We believe the results of the survey did indicate that the concept of instruction in personal finance has successfully passed the experimental stage. It becomes obvious from a perusal of Table I that many prestigious institutions have deemed the course valuable enough to become part of their regular curriculum. On an overall basis however only 32 schools out of 125 selected for convenience do offer such a course, approximately 1 out of every four schools. The results of the survey indicate that the course is open to business majors as well as to non majors in 54% of the responses. Generally the course requires no prerequisites, and in roughly 2 out of 3 of the schools responding, freshmen can take the course.

All schools responding included investments, insurance, borrowing and savings as content covered. All but one included home buying as a must topic of coverage. Surprisingly two schools do not cover the topic of banking, and 3 schools do not cover budgeting or taxes.

It is interesting to note that in regard to student attitudes toward personal finance compared with attitudes toward other courses, 61% of the respondents believed the attitude to be more favorable. The other 39% could detect no difference in attitude, three

institutions believed this was due to the fact that the course was taught by part-time staff or staff from other areas who had little or no desire to teach this course.

As can be seen from the results of questions II a surprisingly large number of respondents cited the use of case problems, visual aids and independent assignments. This seems reasonable since recent bibliographies from financial, insurance, consumer, and governmental institutions certainly offer a wealth of free and inexpensive materials for instructional purposes in the area of personal finance and consumer economics.

A large number of the respondents took the time and trouble to send back additional unsolicited comments about their experiences with planning and teaching this course.

Many believed that the nature of personal finance allows course planners wide latitude in selecting teaching approaches and topic emphasis. An introductory survey orientation to personal finance, with a broad range of topics and no prerequisites, appears to be favored by most responding colleges. There are exceptions, however, which offer personal finance courses concentrated in fewer subjects and limited to upper classmen.

Some of the colleges commented on administrative difficulties encountered in the initial organization of the course. One commented that administrative difficulties, yet to be ironed out, were responsible for its low enrollment figures to date. Apparently many administrators and faculty are reluctant to accept this course as a regular credit granting offering within the Department of Economics and/or Business Administration. We have some trouble in this respect at Wagner, which is a liberal arts oriented institution. Fortunately the results of this survey and the open-mindedness of the curriculum committee and administrative personnel involved

quickly changed things around to a favorable reception.

Those who offered additional comments expressed enthusiasm for the course and provided evidence that their responses to the question on student attitudes had some real foundation and can be attributed to more than a professor's natural pride in his work.